

An Energy Efficiency Workshop & Exposition

Kansas City, Missouri

Proactive Approach to Deregulation: Integrated Energy Management In The Federal Government



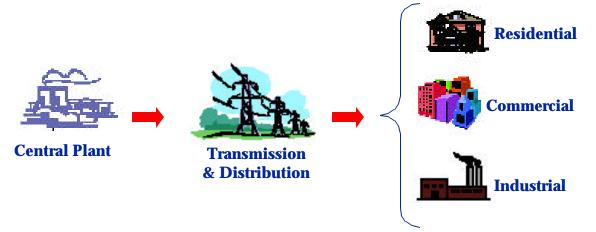
Volatile Energy Prices Are Causing Major Problems For Federal Managers and Corporate CFO's

Federal Headlines

- DoD News Briefing 5/4/01 "...DoD to reduce peak demand by 10% this summer...15% by next summer..."
- Star-Tribune Newspaper of the Twin Cities Minneaspolis-St. Paul 5/3/01
 "The measures require managers of the government's 500,000
 buildings to draw up plans...to reduce their energy..."
- San Diego Union Tribune 5/6/01 "Vice President, Dick Cheney, said the nation would need at least 1,300 new power plants by 2020"
- Commercial Headlines (source: www.the street.com)
 - "Georgia-Pacific Badly Misses Expectations...Energy"
 - "International Paper Sees First Quartile Shortfall...Energy"
 - "ConAgra says High Energy Costs to Hurt Rest of Fiscal Year"

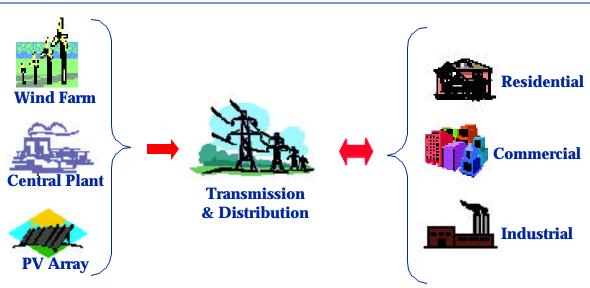


Changing Power Delivery System



Present/Past Systems:

- Centralized
- One-way flow
- Regulated
- Low-risk for customers



Evolving/Future Systems:

- De-centralized
- Two-way flow
- Competitive
- Risk transferring to customers

Source: Worldwatch Institute & Stephens, Inc.



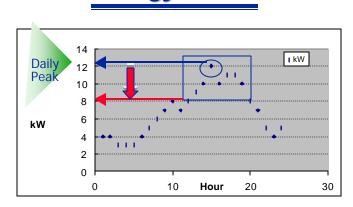
Opportunities in Transitioning Energy Market

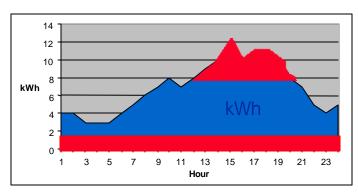
- Procure lower cost energy
- Invest in cost effective energy efficiency
- Optimize interaction

Energy Units

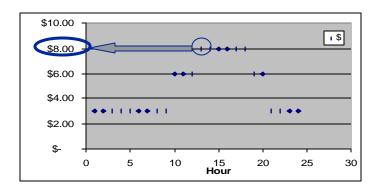
CAPACITY

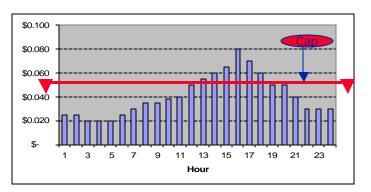
CONSUMPTION





Cost Units (Rates)







Energy Management Success is Proportional to Information

Morgan Stanley Dean Witter

March 10, 2000

"Global Electricity - A Shift in The Balance of Power"

- one of the most fundamental and powerful shifts in our society with some of the greatest implications for energy. A shift in power from the producer to the consumer."
- "Just so will freely accessible information on energy availability and price transparency transform the energy industry."
- "When power shifts from producers to consumers, it shifts the balance of pricing power."
- "The shift from producer to consumer means a shift from supply focus to a demand response."
- "He with the most information wins."



Industry Best Practices

- 1. Commitment by top-level management
- 2. Clearly defined goals
- 3. Communication of goals throughout all levels within company
- 4. Assignment of responsibility and accountability at the proper levels
- 5. Formulation of, and tracking of, energy metrics
- 6. Identification of all potential projects on continuous basis
- 7. Adoption of project investment criteria reflecting risks and return
- 8. Provision of recognition and reward for achieving the goals



Federal Government Case Study: Fort Bragg



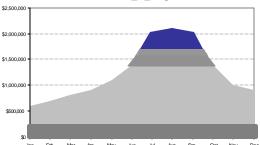
Fort Bragg 1998 Baseline:

- $_{\circ}$ 7,500 buildings with \sim 30,000 sq/ft
- \$36,000,000 annual utility spend
- Severe O&M budget reductions, up to 20% / year, impacted their ability to repair/replace equipment or perform preventative maintenance
- Deterioration of facilities was accelerating
- 5 meters = uncontrolled consumption of resources



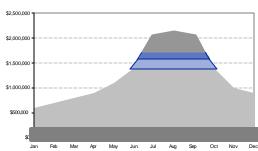
Integrated Energy Management Targets





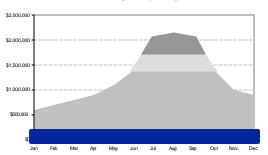
- Electrical rate change
- Natural gas rate change
- Metering infrastructure

Optimization



- Back-up generators
- Propane air plant
- Combined heating and cooling
- Multi-fuel central plants

Demand



- Lighting improvements
- Control improvements
- HVAC improvements
- Motor improvements
- Equipment fuel conversions



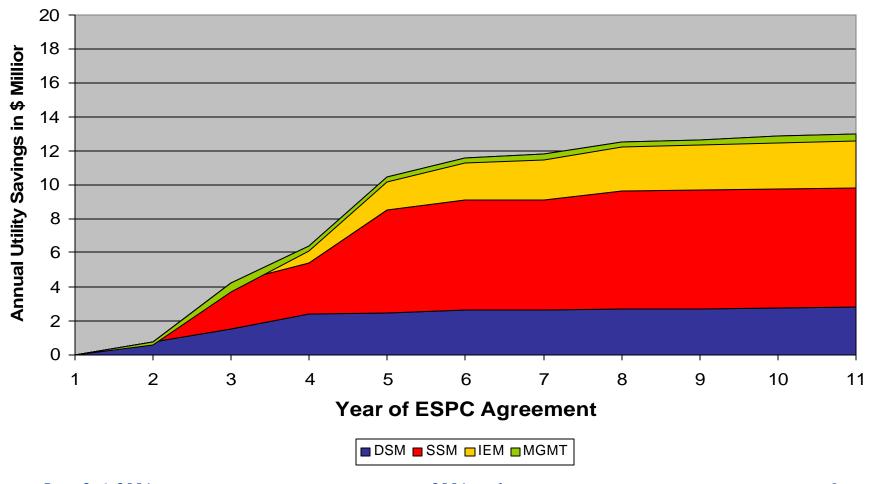


Robust Energy Information System



Financial Goals

Savings Potential





Energy Information System: Vision

Energy Information System (EIS)

- · Web Access
- Data Mining
- Benchmarking

Utility Tracker

- Bill Consolidation
- Rate Analysis
- Bill Error Resolution
- Invoice Audit
- Trend Analysis
- Savings Recommendations
- · Reporting/Charting
- Bill Payment*

Energy Manager

- Interval Data Collection
- Data Mining Analysis
- Savings Recommendations
- Charting/Graphing
- Load Aggregation
- Load Monitoring
- Measurement & Verification
- Power Quality/Factor Tracking
- Submetering*
- Tenant Billing*
- Event Notification*

Load Manager

- Curtailment Strategies
- Distributed Generation Interface
- · Load Shedding
- Load Forecasting
- Building Consumption Modeling
- Duel Fuel Alternatives
- RTP Interface*

Equipment Manager

- Remote, Supervisory Monitoring & Control
- Alarm/Event Notification or Segregation
- Alarm Monitoring
- Manage Operating Schedules or Equipment Optimization
- 2-Way Communication
- Load Management*

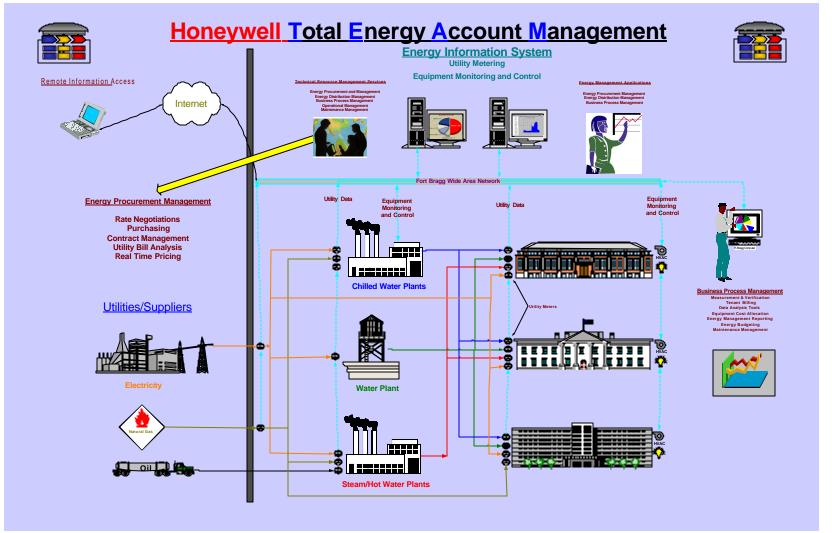
Vendor Manager

- Alarm Management
- Remote Diagnostics
- Service Call Tracking
- Consolidated Service Dispatch
- Tracking & Ranking Vendor Performance
- Global Service Response Center (GSRC)
- Track "In-Warranty" Manufacturer Repairs*

^{*}Optional Services

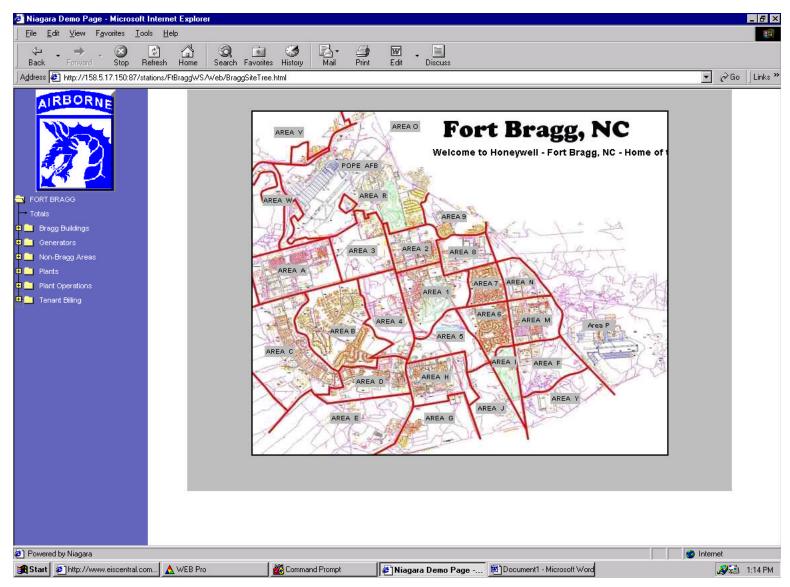


Energy Information System Architecture



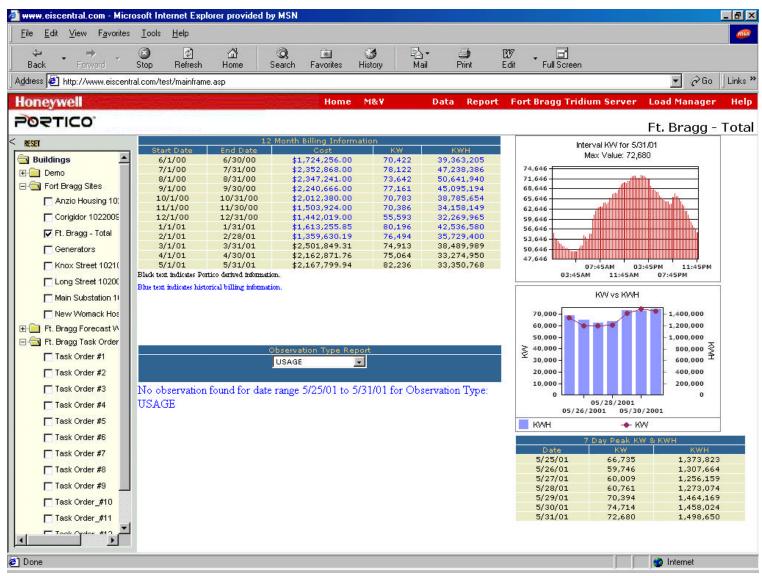


EIS: Fort Bragg Plot





EIS: Summary Snapshots



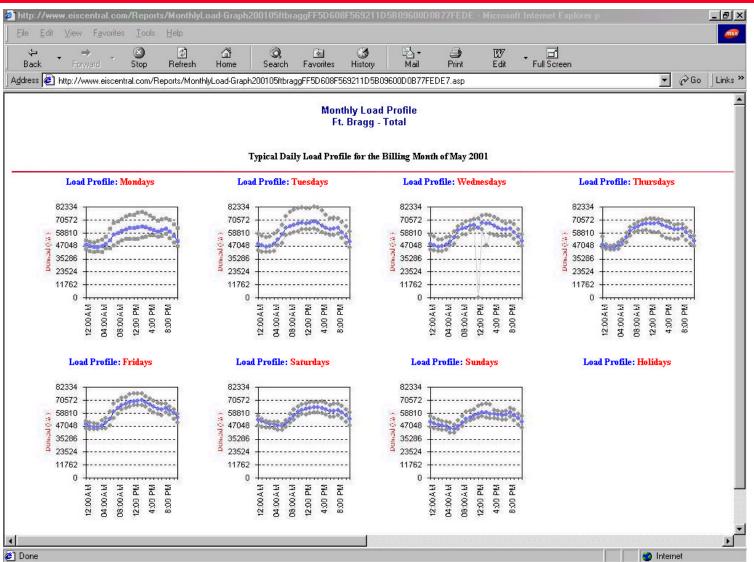


EIS: Daily Load Profile



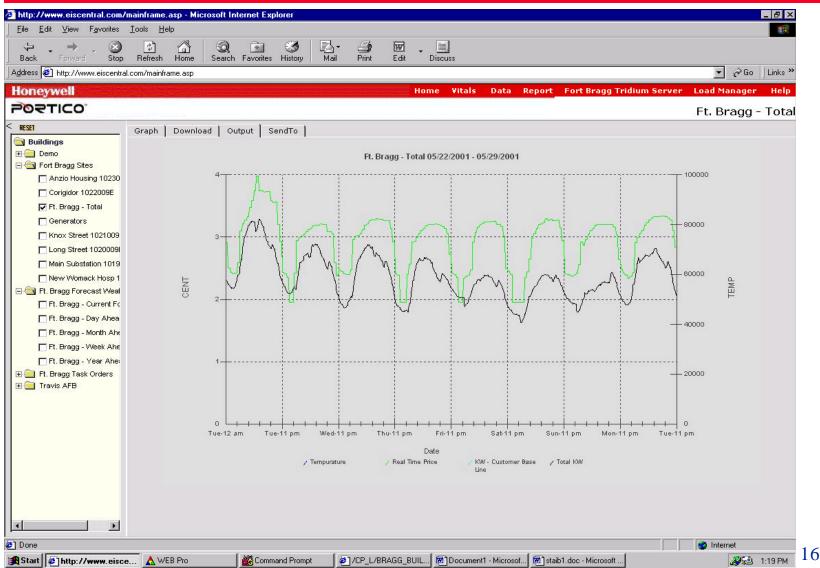


EIS: Monthly Load Profile



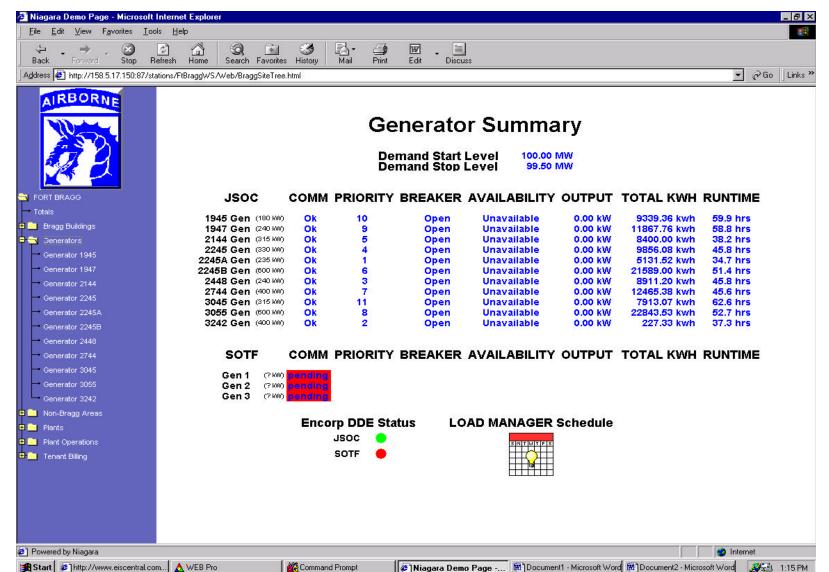


EIS: Load Management Target





EIS: Load Management Summary





EIS: Fuel Management M&V

www.eisc	centra	l.com -	Microsoft Intern	et Explorer pr	ovided by MSN				_ B ×
Honey				gregorient gest				M&V Reporting	Edit ECSM
POSTICO.								Honeywell T.E.A.M. Task Order M&V Reporting	
N	lame:	Gas Transportation ECSM Type: Gas							
Description: Gas Transportation			ansportation						
Stipulated:			Start Year: 2000						
M & V Met	thod:	A		Start Month:	3				
Initial Investr	ment:	\$0	Alle	ocation Type:	N/A 🔻				
				nuary Mont	h 2002 Year				
(in DTherms))RFP		Nomination	Vendor Name		Actual	Actual \$		
Strip 1	-		-	Select Provider		<u> </u>			
Strip 2	<u> </u>		- <u> </u> -	Select Provider Select Provider					
Strip 3 Strip 4	-		-	Select Provider		·			
(in gallons)	I RFP		Nomination	Vendor Name		Actual	Actual \$		
Fuel 1				Select Provider		-			
Zone Price			NCNG Rate 10	(c = 2)	NCNG Rate T10				
-			- 1						
MEF Factor			Management Cost		G.A. (Global Adjustment)				
						Update	Delete		



Overall ESPC Results



- Increased comfort
- 20 task orders awarded
- \$40M in infrastructure improvements
- Energy reductions > 196GBTU's
- Emission reductions equal removal of 487 cars annually
- Saving Fort Bragg > \$7M a year in energy and operational costs

Improved quality of life through infrastructure solutions that increase comfort and security and reduce overall costs



Critical Success Factors

- Executive sponsorship
- Comprehensive, long-term planning
- Focus on <u>all</u> savings
- Dynamic real-time management of information
- Information management greatly improves risk management



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